

IN THE DISTRICT COURT OF THE UNITED STATES  
FOR THE NORTHERN DISTRICT OF OHIO  
EASTERN DIVISION

UNITED STATES OF AMERICA, )  
 )  
Plaintiff, ) Magistrate White  
 ) Cleveland, Ohio  
vs. )  
 )  
IZAK ZIRK DE MAISON, ) Number 1:14MJ3131  
 )  
Defendant. )

- - - - -  
TRANSCRIPT OF PROCEEDINGS HAD BEFORE  
  
THE HONORABLE GREG WHITE  
  
MAGISTRATE JUDGE OF SAID COURT,  
  
ON THURSDAY, OCTOBER 9, 2014  
- - - - -

Official Court Reporter: Shirle M. Perkins, RDR, CRR  
U.S. District Court  
801 West Superior, #7-189  
Cleveland, OH 44113-1829  
(216) 357-7106

Proceedings recorded by mechanical stenography; transcript  
produced by computer-aided transcription.

1 APPEARANCES:

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3 For the Government:

CHRISTOS GEORGALIS,  
Assistant U.S. Attorney  
801 West Superior Avenue  
Cleveland, OH 44113  
(216) 622-3600

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7 For the Defendant:

ALAN FELLHEIMER, ESQ.,  
Fellheimer & Eichen  
2 Liberty Place - 34th Fl.  
50 South 16th Street  
Philadelphia, PA 19102  
(215) 253-6631

10

11

PAMELA A. BOLTON, ESQ.,  
Leech Tishman Fuscaldo & Lamp1  
28th Floor  
525 William Penn Place  
Pittsburgh, PA 15219  
412-261-1600

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1 Thursday Session, October 9, 2014, at 2:11 p.m.

2 DEPUTY CLERK: Your Honor, the case before the  
3 Court carries Case Number 1:14MJ3131, United States of  
4 America versus Izak Zirk De Maison.

14:12:59 5 THE COURT: All right.

6 Now, that I've gained entrance into the courtroom. I  
7 appreciate everyone being here. Mr. Georgalis, are you  
8 ready to start?

9 MR. GEORGALIS: Yes.

14:13:08 10 Chris Georgalis on behalf of the United States.

11 Seated to my left is AUSA Hollingsworth. Also at counsel  
12 table is Special Agent Sean McGovern and Intelligent Analyst  
13 with the FBI, Bill Heffernan.

14 THE COURT: Thank you.

14:13:19 15 And, Mr. Fellheimer?

16 MR. FELLHEIMER: Good afternoon, your Honor.

17 Alan Fellheimer, and Pamela Bolton, here representing  
18 the Defendant, Mr. De Maison. And Mr. De Maison is here.

19 THE COURT: All right. Thank you.

14:13:32 20 I'm not going to be able to say that like you do.

21 But, that's fine.

22 MR. FELLHEIMER: Your Honor, that's only  
23 attributed to my high school French.

24 THE COURT: Okay. Very good.

14:13:40 25 I didn't have any of that. Okay. So I'm going to --

1       you are Izak Zirk De Maison, sir?

2                   THE DEFENDANT: Yes, sir.

3                   THE COURT: Okay. Very good. All right.

4               So we're here for a detention hearing today. And, Mr.

14:13:54 5       Georgalis, you want to proceed?

6                   MR. GEORGALIS: Yes, Judge.

7               We'll waive opening statements. And I'll proffer the

8       PSR in this case. And I'd like to call our first witness,

9       Special Agent Sean McGovern.

14:14:02 10                  THE COURT: Okay.

11               And I would ask Mr. Fellheimer, do you have any

12       opening remarks you'd like to make, sir?

13                   MR. FELLHEIMER: I can make one quickly, your

14       Honor, if your Honor would permit it.

14:14:11 15                  THE COURT: Sure.

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OPENING STATEMENTS ON BEHALF OF THE DEFENSE

MR. FELLHEIMER: We are trying to fashion -- we have tried to fashion -- well, first this Court, I believe, under the statute, is charged with finding the least-restrictive way of protecting the Government, the interests of having Mr. De Maison here and for purposes of trial and for other purposes, and that he will come and not leave the jurisdiction, and not -- and not leave.

We have offered A, to take his passport; B, put him on -- we have found him an apartment less than a mile from here -- eight-tenths of a mile walking, nine-tenths of a mile in a car -- where he could stay. He won't leave the apartment except to buy food and come to this courthouse. But, having him in Youngstown Correctional Facility makes it very difficult for him to do what he has to do.

You can't take a computer in there. Not even I can take a computer in there. You can't get him documents. To give your Honor an idea, there is in the hands of FedEx Ground, right now, two pallets full of documents which were in the -- Mr. De Maison, excuse me, in the offices of Gepco Lustros and Mr. and Mrs. -- Mr. De Maison, which were put into a storage locker.

Someone did me a favor and went to the locker in San Diego, sent me the key. I sent the key back to California, had them take them out. They have to be sent here. I need

1 help to go through all that.

2 I can't go through all those documents without knowing  
3 where everything is, without being able to access Mr. De  
4 Maison to be able to go through the documents. He has no  
14:16:09 5 ability to defend himself here or in the case in New York  
6 without being able to even get to them.

7 He has pledged to -- he's not looking to hide  
8 anything. He's not looking to -- he's going to agree with  
9 restrictions you can have. There is -- I think that the  
14:16:31 10 hearing today will not show he's a flight risk and will not  
11 show he's a danger to anyone. But, more importantly, he'll  
12 be able to work with everybody to explain a whole lot of  
13 things that he can't do without the ability to access  
14 documents and without the ability -- sitting in that  
14:16:48 15 facility in Youngstown because he can't even sit there and  
16 go through the documents.

17 We'll hear what the Government has to say. I just saw  
18 these exhibits for the first time. My client has seen them  
19 for the first time. One of them I know what it is already,  
14:17:04 20 and I can deal with that, and we'll deal with it as best we  
21 can, but we think that what we've offered the Government and  
22 your Honor is a reasonable solution that solves all the  
23 problem.

24 THE COURT: Very good.

14:17:18 25 MR. FELLHEIMER: I'll listen to their case.

1 THE COURT: Thank you.

2 And, Mr. Georgalis, has the Government complied with  
3 the notification requirements here today?

4 MR. GEORGALIS: Yes, Judge.

14:17:27 5 THE COURT: Very good. And no one's present.

6 MR. GEORGALIS: Well, it's unclear to me. If  
7 I will -- appears there is family victims here, Judge.

8 THE COURT: Very good.

9 You may proceed, sir.

14:17:38 10 MR. GEORGALIS: Thank you, Judge.

11 As an initial matter we proffer the PSR in this case,  
12 and we call Special Agent Sean McGovern.

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McGovern - Direct

1 SEAN MCGOVERN,  
2 of lawful age, a witness called by the GOVERNMENT,  
3 being first duly sworn, was examined  
4 and testified as follows:

5 DIRECT EXAMINATION OF SEAN MCGOVERN

6 BY MR. GEORGALIS:

7 Q. Thank you, Judge.

8 Sir, could you please state your full name and spell  
9 your last name for the record?

14:18:08 10 A. Sean McGovern, M-c-G-O-V-E-R-N.

11 Q. How old are you employed?

12 A. Special Agent with the FBI.

13 Q. Just briefly, can you explain the training you  
14 received to become a Special Agent?

14:18:19 15 A. Yes, I attended the FBI Academy of Quantico, Virginia,  
16 which is roughly five months.

17 Q. And what unit or what type of cases do you work as a  
18 Special Agent?

19 A. Currently on the White Collar Crime Squad. I hold a  
14:18:34 20 certified public accountant's license in the State of Ohio  
21 as well.

22 Q. Okay.

23 Approximately how many cases have you investigated in  
24 the white collar crime area since being a Special Agent?

14:18:43 25 A. Between two or three dozen I would say.



McGovern - Direct

1 Q. Okay.

2 Now, you are the lead agent in a case involving the  
3 Defendant here, sir, De Maison?

4 A. Yes, I'm one of two agents.

14:18:52 5 Q. Okay.

6 So we're here for purposes of detention here. And so  
7 I'm going to ask you a couple questions related to the  
8 Defendant's risk of flight.

9 Is that your understanding?

14:19:03 10 A. Yes.

11 Q. As an initial matter, can you explain to the Court the  
12 Defendant's citizenship?

13 A. Yes, the Defendant is a permanent legal resident or  
14 green card holder. I believe he married an individual here  
14:19:15 15 in the United States. He is a citizen of South Africa and  
16 holds a passport out of South Africa.

17 Q. Does he also hold any type of citizenship with the  
18 United States?

19 A. I don't believe so.

14:19:26 20 Q. He's not a US citizen?

21 A. No.

22 Q. Have you had a chance to review any records regarding  
23 the Defendant's international travel?

24 A. Yes, I have.

14:19:34 25 Q. Let me direct your attention to what has been marked

McGovern - Direct

1 for identification as Government's Exhibit Number 1.

2 It should be there in front of you.

3 **A.** Yes.

4 **Q.** Take a look at that. Do you recognize that document?

14:19:44 5 **A.** Yes, I do.

6 **Q.** What is it?

7 **A.** It's the document received from Customs and Border  
8 Protection.

9 MR. FELLHEIMER: I'm sorry, your Honor.

14:19:50 10 I'm --

11 THE COURT: That's the extent of your  
12 technical ability.

13 THE WITNESS: I'll do my best.

14 **Q.** Take a look at what's been marked as Government's  
14:21:14 15 Exhibit Number 1. Do you recognize that document?

16 **A.** Yes, I do.

17 **Q.** What is it?

18 **A.** This is a document received from Customs and Border  
19 Protection, regarding the international travel of  
14:21:22 20 Mr. Engelbrecht.

21 **Q.** And is there a date range associated with this  
22 document?

23 **A.** Yes, there is.

24 **Q.** And what is that date range?

14:21:29 25 **A.** The beginning date range is December 2006, and this

McGovern - Direct

1 goes through December 18th of 2013.

2 **Q.** Okay. So this records the Defendant's international  
3 travel for a period of about seven years or so?

4 **A.** That's correct.

14:21:42 5 **Q.** Up until December 2013.

6 Now, prior to your testimony here today, did you have  
7 a chance to review this document and study it?

8 **A.** Yes, I did.

9 **Q.** And what could you explain to the Court in terms of  
14:21:55 10 what you found regarding the Defendant's travel?

11 **A.** In reviewing these records, I determined that the  
12 Defendant traveled internationally 102 times between -- in  
13 the noted time period. As noted on the exhibit, the two  
14 columns on the right list where the international travel was  
14:22:12 15 from and to.

16 And these instances are only travel out of the United  
17 States and back in, not between international countries.

18 **Q.** Okay. So for purposes of the record, could you just,  
19 going down the column regarding from and to, just give us a  
14:22:27 20 sense of where this Defendant has traveled?

21 **A.** In my review, generally I noted Chile was an often  
22 visited country. As well as Mexico. There were a number of  
23 travels earlier in 2010 and 2009 to Paris, France as well.  
24 There are also a number of travels to Turks Caicos.

14:22:50 25 **Q.** To be fair, one of the Defendant's reported businesses

McGovern - Direct

1 was in the country of Chile, correct?

2 **A.** Two of them, that's correct.

3 **Q.** Okay.

4 Now, so with respect to how the Defendant travels, did  
14:23:04 5 your investigation reveal any instances when the Defendant  
6 used multiple names in his travels?

7 **A.** Yes, it did.

8 **Q.** And could you sort of give us some color on that?

9 **A.** Yes, as a result of the investigation, we contacted

14:23:18 10 Customs and Border Protection and enabled them to track any  
11 time Mr. Engelbrecht traveled out of the country. We  
12 provided them with Mr. Engelbrecht's aliases and were to be  
13 notified when there was international travel.

14 In July of 2014, we received notification that he

14:23:37 15 traveled from Vancouver to the United States. We had not  
16 been notified he traveled out of the United States for the  
17 initial trip.

18 When we inquired with Customs and Border Protection,

19 they told us he had traveled out of the country under the

14:23:48 20 name Zirk, Inc. and traveled into the country under the name  
21 Zirk De Maison.

22 **Q.** Okay.

23 So the Defendant here has at least two aliases or

24 names that he uses for purposes of international travel

14:24:01 25 among other reasons?

McGovern - Direct

1       **A.**     That's correct.

2       **Q.**     Let me direct your attention to what's been marked as  
3       Government's Exhibit Number 2, if I could.

4             You see that in front of you?

14:24:09 5       **A.**     Yes, I do.

6       **Q.**     Take a second to look at that.

7       **A.**     Okay.

8       **Q.**     Do you recognize that document?

9       **A.**     Yes, I do.

14:24:16 10       **Q.**     And what is that document?

11       **A.**     This was a photograph of the documents provided to the  
12       Customs and Border Protection agent in Vancouver upon Mr. De  
13       Maison's return from Vancouver to the United States. The  
14       agent took a picture of the documents that were provided to  
15       them upon reentry into the United States.

16       **Q.**     And what are some of the documents that we see  
17       pictured here in Government's Exhibit 2?

18       **A.**     Yes, at the top is the Defendant's South Africa  
19       passport. The first item to the last is the Defendant's  
14:24:47 20       Social Security.

21       **Q.**     Let me back up. Could you be specific as to the name  
22       associated with each document?

23       **A.**     Absolutely.

24             Listed on the South African passport is the name Izak  
14:24:57 25       Zirk, Inc. On the Social Security card, the name listed is

McGovern - Direct

1 Izak Zirk De Maison. Below that is the United States  
2 permanent resident card. The name listed is Izak Z.  
3 Engelbrecht. There is a business card for Sulfatos,  
4 Limited. The name provided is Zirk De Maison. A California  
14:25:19 5 driver's license under the name Izak Zirk De Maison.

6 **Q.** So these are various documents that the individual  
7 Defendant here presented to the Customs and Border  
8 Protection folks?

9 **A.** That's correct.

14:25:33 10 **Q.** Okay.

11 And in this specific instance, you learned that the  
12 Defendant flew out of the country using one name, and you  
13 received no notification of his --

14 **MR. FELLHEIMER:** Your Honor, I'm going to  
14:25:44 15 object to the questions leading, and it's a leading  
16 question.

17 **THE COURT:** Okay. Well, this is --

18 **MR. FELLHEIMER:** Sorry, sir.

19 **THE COURT:** This is a bond hearing. So we're  
14:25:52 20 not going to strictly adhere to the Rules of Evidence.

21 **MR. FELLHEIMER:** All right.

22 **THE COURT:** Try to get the information we need  
23 to make reasonable decisions.

24 **MR. FELLHEIMER:** Thank you, sir.

14:25:59 25 **MR. GEORGALIS:** Thank you, Judge.

McGovern - Direct

1 Q. And so when he left, you received no notification  
2 under using one name, correct?

3 A. That's correct.

4 Q. This is more of a summary, this is what you testified  
14:26:07 5 to?

6 A. Yes.

7 Q. But then, when trying to come back into the country,  
8 he utilized a different name?

9 A. That's correct.

14:26:13 10 Q. Now, what was the length of this trip in July of 2014?

11 A. I believe it was in the same date or within two days.

12 Q. There's -- there was -- can you explain that?

13 A. I believe it was the same day trip. My understanding  
14 he traveled out on, I believe it was July 20th and returned  
14:26:28 15 on that same day.

16 Q. Okay.

17 A. It may have been over an overnight trip. I'm not  
18 entirely correct.

19 Q. So for purposes of a one or two-day trip, the  
14:26:37 20 Defendant is using two different names; one to leave and one  
21 to come back?

22 A. That's correct.

23 Q. Now --

24 THE COURT: Mr. Georgalis, we could just  
14:26:43 25 temper down the leading questions a little bit.

McGovern - Direct

1 MR. GEORGALIS: Okay. Thanks, Judge.

2 Q. Now, did your investigation reveal anything about any  
3 money or funds that the Defendant might have overseas?

4 A. Yes, it did.

14:26:55 5 Q. And could you explain to the Court just generally what  
6 you learned?

7 A. Yes.

8 In receiving bank records from Grand Jury subpoenas,  
9 we received a number of company bank accounts that either  
14:27:06 10 Mr. Engelbrecht or his wife controlled, and we noted a  
11 number of international wire withdrawals to Switzerland in  
12 those accounts.

13 Q. With respect to -- even the documents aside, with  
14 respect to interviews of witnesses involved in this case  
14:27:27 15 that had a relationship with the Defendant, did you come to  
16 any other countries where the Defendant sends money?

17 A. Yes, in interviewing one witness, the individual  
18 stated that she was told by Mr. Engelbrecht's wife that the  
19 family had hid money in Switzerland, in France, and in  
14:27:47 20 Panama.

21 MR. FELLHEIMER: Your Honor, that's not  
22 hearsay that's double hearsay.

23 THE COURT: I understand. But, again --

24 MR. FELLHEIMER: I just want to point it out  
14:27:54 25 to the Court that that's hearsay on hearsay.



McGovern - Direct

1 THE COURT: I've heard hearsay before. Got  
2 it. Thanks.

3 MR. FELLHEIMER: And I'm sure the Court can --  
4 has the ability to --

14:28:02 5 THE COURT: I'll sort through it.

6 MR. FELLHEIMER: -- give it the proper weight.

7 BY MR. GEORGALIS:

8 Q. Now if I could turn your attention to what's been  
9 marked as Government's Exhibits 3, 4 and 5, they should be  
14:28:12 10 there in front of you. Do you see them there?

11 A. Yes, I do.

12 Q. What do you -- could you take a second to review them?

13 A. Thanks.

14 Q. Do you recognize these documents?

14:28:23 15 A. Yes, I do.

16 Q. What are they?

17 A. These Exhibits 3, 4 and 5 are bank accounts for the  
18 JPMorgan Chase account for Bridges Investments. This is a  
19 company that was owned and controlled by the Defendant's  
14:28:36 20 wife Angelique De Maison.

21 MR. FELLHEIMER: Sorry. I didn't hear that.

22 THE COURT: Would you repeat the answer.

23 THE WITNESS: Yes, judge.

24 MR. FLLHEIMER: Just louder.

14:28:44 25 THE WITNESS: Exhibits 3, 4 and 5 are JPMorgan

McGovern - Direct

1 Chase bank account records for the Defendant's wife's  
2 company, Bridges Investments, Incorporated. The three  
3 exhibits are for A time period over three months in 2011.

4 **Q.** Okay.

14:28:59 5 Now, did you get a chance to review these records  
6 prior to your testimony here today?

7 **A.** Yes, I have.

8 **Q.** And what did you find with respect to international  
9 transfers in these records?

14:29:09 10 **A.** As noted on Page 3 of each exhibit, there is an online  
11 wire transfer withdrawal to an account in Zurich,  
12 Switzerland as marked in Exhibit 3, Page 3. The reference  
13 line is from Angelique De Maison, and the wire transfer is  
14 the amount of \$25,000.

14:29:29 15 **Q.** And where is that wire going to?

16 **A.** As it reads, Zurich, Switzerland.

17 **Q.** And you're getting that straight from the document  
18 itself to Switzerland?

19 **A.** That's correct.

14:29:44 20 **Q.** In the amount of \$25,000?

21 **A.** Yes.

22 **Q.** All right.

23 What about with respect to Government's Exhibit Number  
24 4?

14:29:56 25 **A.** Yes, as noted on Exhibit 4, Page 3, there's an online

McGovern - Direct

1 wire transfer withdrawal in the amount of \$50,000, and it's  
2 going to Zurich, Switzerland. The reference line reads,  
3 "From Angelique De Maison."

4 **Q.** And, again, it's going to Zurich, Switzerland?

14:30:15 5 **A.** That's correct.

6 **Q.** In the amount of \$50,000?

7 **A.** Yes.

8 THE COURT: What was the date that that was  
9 done?

14:30:19 10 THE WITNESS: This is May 5, 2011.

11 THE COURT: Okay.

12 BY MR. GEORGALIS:

13 **Q.** And what about Government's Exhibit Number 5, do you  
14 see any wires going internationally there?

14:30:32 15 **A.** Yes, I do. There are two on Page 3. Under the  
16 section "Electronic Withdrawals." The first is on June 6,  
17 2011, the first -- the first listed as \$50,000. Online  
18 transfer to Zurich, Switzerland. The reference is from  
19 Angelique De Maison. The second on that statement is the  
14:30:58 20 third entry in that section, June 16, 2011, online wire  
21 transfer to Zurich, Switzerland for \$25,000. And the  
22 reference line says from Angelique.

23 **Q.** And, again, who is Angelique?

24 **A.** The Defendant's wife.

14:31:15 25 **Q.** Now, did your investigation also reveal a meeting that

McGovern - Direct

1 took place in Panama between the Defendant and another  
2 witness?

3 **A.** Yes, it did.

14:31:34

4 **Q.** Could you explain to the Court what was discussed  
5 during that meeting?

14:31:51

6 **A.** Yes. The Defendant was traveling with a witness that  
7 we had interviewed to Chile. They made a stop in Panama  
8 along the way where the Defendant and/or witness met with a  
9 tax attorney in Panama, and it was explained to the witness  
10 that the purpose of this meeting was to meet with the  
11 attorney to determine how the Defendant can reduce his tax  
12 liability and hide assets.

13 MR. FELLHEIMER: I'm sorry. I'd like to hear  
14 that again.

14:32:04

15 THE COURT: Sure. Could you repeat that?

16 THE WITNESS: Sure. Yes.

14:32:22

17 Our witness had traveled with Mr. Engelbrecht to  
18 Chile, made a stop in Panama along the way. There, the  
19 Defendant and the witness met with a tax attorney in Panama,  
20 and it was explained to the witness the purpose of this was  
21 to reduce the Defendant's tax liability as well as to hide  
22 assets.

23 MR. FELLHEIMER: Okay. I'll get to that. My  
24 turn.

14:32:34

25 **Q.** Now, with respect to the Defendant's family, where are

McGovern - Direct

1 they currently living?

2 **A.** The Defendant's wife and her three children are  
3 currently in France.

4 **Q.** Okay.

14:32:50 5 Now, during the course of your investigation, were any  
6 recordings made regarding the Defendant's stated intention  
7 to move to France?

8 **A.** Yes, there were.

9 **Q.** What's the approximate date of those recordings?

14:33:06 10 **A.** Primarily there's one in September of 2014.

11 **Q.** Now, was your investigation of Defendant and his  
12 company's overt at the time these recordings were made?

13 **A.** Yes, it was.

14 **Q.** And how so?

14:33:18 15 **A.** In August of 2014, as the Defendant's wife was  
16 traveling to France, she was issued a Federal Grand Jury  
17 subpoena for her company on the same company we saw under  
18 Exhibits 3, 4 and 5, Bridges Investments, Incorporated, and  
19 that's when the investigation became overt to the Defendant  
14:33:38 20 as well.

21 **Q.** Now, I have for you what's been marked as Government's  
22 Exhibit Number 7, which is a CD containing multiple audio  
23 files.

24 I would ask that Mr. Heffernan play the first  
14:33:51 25 recording for us regarding the Defendant's intention to move

McGovern - Direct

1 to France.

2 THE COURT: I think she's going --

3 Mr. Fellheimer, have you heard these?

4 MR. FELLHEIMER: No, I have not. I've been

14:34:04 5 asked to give -- see them. I was told -- I haven't heard

6 them. I haven't seen them.

7 THE COURT: Okay.

8 How many do you have, Mr. Georgalis?

9 MR. GEORGALIS: It's about a total I think six

14:34:13 10 or seven, very short. They may be ten seconds each.

11 THE COURT: Okay. Go ahead.

12 (Tapes played.)

13 Q. That's kind of difficult to hear over the speakers.

14 Have you had a chance to listen to these beforehand?

14:34:43 15 A. Yes, I have.

16 Q. What is it the Defendant is saying regarding his

17 travel?

18 MR. FELLHEIMER: Your Honor, those are not --

19 if we can't understand it, how can he --

14:34:54 20 THE COURT: He's had an opportunity to review

21 this. So I mean his testimony probably would be better than

22 the Government's tape.

23 So I'll let him answer the question. You'll have your

24 opportunity to cross.

14:35:04 25 THE WITNESS: Yes, as noted in the audio

McGovern - Direct

1 recording, Mr. Engelbrecht says I just got to pack my bags  
2 and be done with it.

3 Q. Okay.

4 MR. FELLHEIMER: I didn't hear that.

14:35:14 5 Q. Can you give us some context as to what was being  
6 discussed in this meeting?

7 A. Yes, prior to that meeting, Mr. Engelbrecht had  
8 contacted two --

9 THE COURT: Could you back up and start over  
14:35:24 10 about this meeting? When was it, where was it, who was  
11 there?

12 THE WITNESS: Yes, sir.

13 THE COURT: That would be helpful.

14 THE WITNESS: Meeting held in September of  
14:35:32 15 2014, meeting arranged by Mr. Engelbrecht following the  
16 issuance of the subpoena I mentioned before. In the  
17 subpoena, we identified certain brokers, investment brokers,  
18 whom we wanted additional records for. Mr. Engelbrecht then  
19 contacted two of those individuals to set up a meeting that  
14:35:52 20 in his words were to get the story straight. And this  
21 meeting was held in person between Mr. Engelbrecht and two  
22 other individuals on September -- in early September of  
23 2014.

24 Q. And that was at a restaurant, is that what you said?

14:36:08 25 A. I didn't, but that is correct.

McGovern - Direct

1 MR. FELLHEIMER: I'm sorry.

2 THE WITNESS: The meeting was held at a  
3 restaurant which is where the noise --

4 THE COURT: I'm sorry?

14:36:16 5 MR. FELLHEIMER: Did he say who?

6 THE COURT: Who was at the meeting? He said  
7 two people that had been subpoenaed for the investigation, I  
8 think is the answer.

9 THE WITNESS: I'll clarify, Judge. It was two  
14:36:26 10 people that were listed on the attachment to the Federal  
11 Grand Jury subpoena. So the subpoena itself was to Bridges  
12 Investment, Incorporated. On the subpoena, we requested  
13 records related to two individuals, and it was those two we  
14 met with --

14:36:38 15 Q. Okay.

16 And I believe there's another recording regarding the  
17 liquidation of assets. And it might be better for you to  
18 kind of let us know what he stated.

19 A. Absolutely. This recording was from August of 2014.  
14:36:52 20 In it, the Defendant discusses his recent liquidation of, I  
21 believe, two or maybe three vehicles that he had just sold.  
22 And he -- in the recording, it references -- he's keeping  
23 his Cadillac, and he's leasing it.

24 Q. Okay.

14:37:08 25 I'd also like to discuss with you your knowledge of



McGovern - Direct

1 what assets the Defendant has in this district, in the  
2 Northern District of Ohio, tying into this district.

3 **A.** I'm not aware of any assets the Defendant has in this  
4 district.

14:37:24 5 **Q.** Okay.

6 And so outside this district, what assets tie him to  
7 this -- to the United States?

8 **A.** Outside of possibly some diamonds at a jewelry shop,  
9 I'm not aware of any other assets that tie him to the United  
10 States.

11 **Q.** Now, there is some real property that was listed in  
12 the Pretrial Services report in this case. Who does that  
13 property actually belong to?

14 **A.** Those properties according to the deed are listed to  
14:37:52 15 Angelique De Maison, the Defendant's wife.

16 **Q.** Okay.

17 And what does your investigation reveal just generally  
18 about some of those properties?

19 **A.** Yes. A number of those properties are in Redlands,  
14:38:03 20 California. Miss -- the Defendant's wife had purchased  
21 those from an individual, and I interviewed that -- that  
22 individual he purchased it from. He stated that the  
23 Defendant and his wife could not obtain a conventional  
24 mortgage on the property. It was privately financed through  
14:38:23 25 this individual. The purchase price was roughly \$3 million,

McGovern - Direct

1 and initially, he had financed \$700,000 of it. After that,  
2 money was put into the escrow. Money was placed, the  
3 Defendant requested that money back, and the landlord or the  
4 seller had agreed to it under the condition that some  
14:38:46 5 collateral be posted. Mr. Engelbrecht provided stock in  
6 some of the companies that he has become associated with  
7 over the years as collateral. Although shares were  
8 restricted, meaning they couldn't be traded on the open  
9 market, it was just more or less a piece of paper that was  
14:39:01 10 held by the seller.

11 **Q.** Okay.

12 So to the extent there's an argument presented that  
13 there's \$700,000 equity in this property at 565 Walnut,  
14 Redlands, your testimony today is that that there's no cash  
14:39:19 15 backing up that property?

16 **A.** That's my understanding from interviewing the seller.

17 **Q.** The collateral is just restricted stock?

18 **A.** Correct.

19 **Q.** All right.

14:39:26 20 What about with respect to some of the other  
21 properties listed in the PSR, did you take a -- did you  
22 review sort of the back taxes that are owed in any of those  
23 properties?

24 **A.** I have, yes, and with regard to the four properties  
14:39:37 25 that are in Redlands, California, they collectively owe

McGovern - Direct

1 roughly \$92,000 in back taxes. I believe the 565 Walnut  
2 address is delinquent from either 2012 or 2013. I believe  
3 it's 2012.

4 THE COURT: What was the total again?

14:39:54 5 THE WITNESS: \$92,000.

6 Q. Moving on from there, during the course of your  
7 investigation, did you learn of any allegations that the  
8 Defendant committed or conducted a similar scheme in other  
9 countries?

14:40:08 10 A. Yes, I have.

11 Q. What did you learn about that?

12 A. I learned through discussing with witnesses, as well  
13 as Open Source review, similar schemes involving stock  
14 issuance or stock issuance of companies in the distribution  
15 to shareholders occurred in South Africa as well as Libya.

16 I can speak to the scheme generally, if you'd like.

17 Q. Please.

18 A. As I understand it, Mr. Engelbrecht has acquired with  
19 regard to these two countries, stock in various companies  
14:40:44 20 for very low dollar amounts. He then resells them to the  
21 general public at a significantly increased amount. As I've  
22 come to learn through Open Source, these are typically  
23 highly speculative countries, either jewelry or mining.

24 In interviewing one associate of Mr. Engelbrecht, he  
14:41:04 25 confirmed that Mr. Engelbrecht told him he was involved with

McGovern - Direct

1 one company in particular, Montrose Mining, which was listed  
2 in various Open Source reporting I've seen.

3 **Q.** Now, you say mining and jewelry were some of the  
4 industries involved in some of these international schemes  
14:41:20 5 that were alleged.

6 Are those similar industries we're seeing that the  
7 Defendant conduct in this scheme conducted in the United  
8 States?

9 **A.** Yes.

14:41:30 10 With regard to the scheme in the United States, the  
11 most recent iteration of the companies the Defendant has  
12 used was known as Gepco, that is purported to be a jewelry  
13 business, and two other companies.

14 **THE COURT:** Could you spell that.

14:41:43 15 **THE WITNESS:** Sure, G-E-P-C-O. And two other  
16 companies, one being Casablanca Mining, and Lustros,  
17 L-U-S-T-R-O-S, both in the mining or copper sulfate  
18 industry.

19 **Q.** Are you familiar with the company Super Thin and  
14:42:07 20 Sunaco?

21 **A.** Yes, I am.

22 **Q.** What are those companies?

23 **A.** Those are companies that are controlled by the  
24 Defendant, Mr. Engelbrecht.

14:42:12 25 **Q.** And were those companies used as part of the scheme in

McGovern - Direct

1 the allegations contained in the complaint in this case?

2 **A.** Yes, they are.

3 **Q.** And were they also companies that were used in  
4 allegations internationally?

14:42:26 5 **A.** According to Open Source reporting I've seen, yes,  
6 they have been mentioned as well.

7 **Q.** Okay.

8 I'd also like to talk to you regarding the danger to  
9 the community that the Defendant poses both physically and  
14:42:38 10 economically.

11 During the course of your investigation, did you come  
12 across any instances of threats the Defendant made to any  
13 potential witnesses in this case?

14 **A.** Yes.

14:42:48 15 **Q.** Can you kind of set that up for us, please?

16 **A.** Yes.

17 The first would be a written threat that I encountered  
18 or I witnessed in discussing with one witness who was the --  
19 an officer at multiple of companies that Mr. Engelbrecht was  
14:43:06 20 associated with. This individual was, I believe, either  
21 fired or let go.

22 Mr. Engelbrecht then requested an accounting of the  
23 funds that were used in that company, and this was all  
24 through, you know, correspondence. And in that e-mail,  
14:43:22 25 there were -- there were threats made.

McGovern - Direct

1 MR. FELLHEIMER: Are you describing the  
2 background to Government's Exhibit Number 6?

3 THE WITNESS: Yes, I am.

14:43:31

4 MR. FELLHEIMER: Excuse me. Did you say that  
5 was Exhibit 6?

6 THE WITNESS: I'm referring to Exhibit 6.

7 MR. FELLHEIMER: Thank you.

8 THE COURT: Do you have that, Mr. Georgalis --  
9 Mr. Georgalis, do you have Exhibit 6?

14:43:38

10 MR. FELLHEIMER: I just --

11 MR. GEORGALIS: They have it, Judge.

12 THE COURT: Okay.

13 And the date of the purported threat is what, Special  
14 Agent?

14:43:46

15 THE WITNESS: The dates of this e-mail are  
16 January 30, 2014, and January 31, 2014.

17 **Q.** And who was the witness in this case?

18 **A.** As listed on the e-mail, Gonzo Troncoso.

14:44:01

19 MR. FELLHEIMER: Sorry. I didn't hear the  
20 question or answer.

21 **Q.** The question was who was the witness that was being  
22 threatened in this case?

23 THE WITNESS: My answer was Gonzo Troncoso,  
24 name listed on Exhibit 6.

14:44:12

25 **Q.** Now, could you read into the record the threat? Did

McGovern - Direct

1 you see it?

2 **A.** Yes.

3 First I'll generally summarize the initial e-mail  
4 as --

14:44:22 5 MR. FELLHEIMER: I can't understand what  
6 you're saying.

7 THE WITNESS: I'll first initially summarize  
8 the content on Pages 2 and 3, which is the initial e-mail  
9 from the Defendant to Mr. Troncoso. The Defendant is -- the  
14:44:39 10 Defendant is requesting an accounting of funds for the  
11 company that's at issue here. That's more or less the  
12 content of the initial e-mail from the Defendant to the  
13 witness.

14 The witness then makes a kind of general reply to the  
14:44:58 15 Defendant, and as listed on Page 1, the Defendant has a  
16 response, which I'll read. "Gonsolo, I will not participate  
17 in this fucking circus. I want to know what you did with  
18 the money I sent to Chile. End of fucking story. You have  
19 no idea how I deal with people that have stolen from my  
14:45:15 20 family. Send me a clear cash book analysis on how you  
21 pissed this money away, or you will have much more to deal  
22 with me than me being pissed at you. Don't e-mail unless  
23 it's a penny-by-penny explanation. Once we've seen exactly  
24 what happened with the money and understand why you did in  
14:45:30 25 Chile what you did, we'll talk about the rest. Gonsolo, you

McGovern - Direct

1 are not going to fuck me, and I will not fuck you, but if  
2 you have fucked me, I will never stop."

3 Q. And the last line?

4 A. "Right now I believe you have fucked me."

14:45:43 5 Q. Okay.

6 Now, in addition to this e-mail, do you also have  
7 recordings of threats that the Defendant is making to  
8 potential witnesses?

9 A. Yes, I do.

14:45:51 10 Q. Could you provide some background to some of the -- to  
11 those recordings?

12 A. Yes.

13 The Defendant was involved in a company known as  
14 Wealth Makers. This company, as I understand it, traded in  
14:46:03 15 stocks on the stock market. They also took investor money  
16 in.

17 THE COURT: This is going to go beyond  
18 G-rated, use some initials. We have young spectators here.

19 THE WITNESS: Sorry about that.

14:46:16 20 MR. FELLHEIMER: Sorry?

21 THE COURT: I was asking him to clean the  
22 language up.

23 THE WITNESS: I don't think I'll have any more  
24 going forward.

14:46:21 25 THE COURT: Thanks.



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1 THE WITNESS: Company, Wealth Makers, raised  
2 money from investors, and it's my understanding that the  
3 investors saw little to no return of that money. The  
4 investors had collectively gotten together and contacted an  
14:46:37 5 attorney with the intent of filing a lawsuit.

6 That attorney then sent a letter to the Defendant and  
7 his wife notifying them of the possible pending civil  
8 lawsuit. Upon receiving that letter, the Defendant placed a  
9 phone call to a witness whom he believed had provided that  
14:46:56 10 attorney and the investors information about the use of  
11 those funds.

12 Q. Okay. Now, do we have those recordings here?

13 A. Yes, we do.

14 Q. And those were -- I think you said June, 2014?

14:47:09 15 A. That's correct.

16 Q. Why don't we try playing them and see the quality of  
17 them. And if it's too difficult to hear, maybe you can  
18 summarize them for us.

19 MR. FELLHEIMER: I object, your Honor.

14:47:19 20 THE COURT: On the grounds?

21 MR. FELLHEIMER: Well, I mean he's  
22 summarizing -- can we hear it?

23 THE COURT: Yeah, we're going to hear it. See  
24 if we can hear it.

14:47:29 25 MR. FELLHEIMER: He asked him to summarize I

McGovern - Direct

1 thought.

2 THE COURT: He's going to play it first and  
3 see if it's legible. The Government's recording equipment,  
4 is that what we're talking about?

14:47:37 5 THE WITNESS: Yes, Judge.

6 MR. GEORGALIS: Judge, there is a curse word  
7 in one of the recordings.

8 THE COURT: A what?

9 MR. GEORGALIS: A swear word in one of the  
14:47:44 10 recordings.

11 THE WITNESS: Actually two of them.

12 MR. GEORGALIS: And I think -- sounds like  
13 it's okay. Could we have a minute, Judge?

14 THE COURT: We're not all adults here is what  
14:47:54 15 I was referring to.

16 MR. GEORGALIS: Okay. Play the recordings,  
17 please.

18 (Tape played.)

19 MR. GEORGALIS: Keep going.

14:48:25 20 (Tape played.)

21 Q. Do you recognize the voice in all those recordings?

22 A. Yes, I do.

23 Q. Okay. And for purposes of the record, could you just  
24 summarize some of the things that he was saying?

14:49:34 25 MR. FELLHEIMER: Your Honor, I felt we could

McGovern - Direct

1 understand that just fine.

2 THE COURT: Okay. I'll let him testify. You  
3 can cross.

4 THE WITNESS: Should I?

14:49:43 5 Q. Yeah. None of that goes on the record. So if you  
6 could just put on the record some of the things that were  
7 being said in those.

8 A. Yes, yes.

9 Generally, the Defendant, Mr. Engelbrecht, said be my  
14:49:51 10 enemy is a wrong decision. He mentioned he had a cheap and  
11 totally ethic-less lawyer who will keep going as long as he  
12 pays him a thousand bucks a week. He stated he will do  
13 unethical things to you, referring to the witness in this  
14 case.

14:50:06 15 MR. FELLHEIMER: Do what?

16 THE WITNESS: He said he would do unethical  
17 things to you, and I believe he was referring to the  
18 witness, the potential witness in the civil case.

19 He mentioned that he's not some imbecile who doesn't  
14:50:19 20 know how to protect himself, and finally said, "I'm not  
21 threatening you. I'm promising you if my wife's name is  
22 dragged through the mud, I'm fucking attacking you."

23 Q. Now, with respect to the economic danger that the  
24 Defendant poses to the community if he's released on bond,  
14:50:35 25 do you believe that he's an economic danger?

McGovern - Direct

1       **A.**     Yes, I do.

2       **Q.**     Why do you believe that?

3       **A.**     With access to a phone or a computer or both, the  
4       Defendant can self stock at will.

14:50:46 5           Through, you know, review of the case, I've seen that  
6       he has rarely traded stock or placed money in his own name.  
7       Often it's in the name of nominee companies or other persons  
8       in an effort to hide assets.

9       **Q.**     And the danger of the Defendant trading in stock to  
14:51:06 10      the community is what?

11      **A.**     The base of our case is the companies have limited,  
12      some of the companies have limited operations.

13           MR. FELLHEIMER: I can't hear conditions.

14           THE WITNESS: Some of the companies have  
14:51:15 15      limited operations. The stock has been manipulated through  
16      various means, and it -- we'd argue that it's at inflated  
17      prices that the public should not pay for.

18      **Q.**     Okay.

19           Let me change directions here. I'd like to talk to  
14:51:30 20      you a little bit about the weight of the evidence in this  
21      case.

22           Could you explain to the Court what some of the  
23      evidence is that you have against the Defendant as it  
24      relates to the allegations in the complaint?

14:51:40 25      **A.**     Yes. I think the microphone's back on, by the way.

McGovern - Direct

1 So.

2 THE WITNESS: Generally, we have e-mails  
3 between the Defendant and other coconspirators discussing  
4 commission payments to investment brokers.

14:51:57 5 Typically as our case unfolded, we determined those  
6 commissions were undisclosed to the clients themselves.  
7 We've seen e-mails from the Defendant directing controllers  
8 or chief financial officers to make commission payments to  
9 those brokers. We have e-mails in which there are incorrect  
14:52:21 10 attestations as to the use of --

11 MR. FELLHEIMER: Incorrect what?

12 THE WITNESS: Incorrect attestations as to the  
13 use of investor money.

14 Q. Misrepresentations?

14:52:29 15 A. Misrepresentations. That's a better word, yes.

16 Q. What about tax messages? Do we have text messages  
17 where the Defendant is either accepting or receiving?

18 A. Yes, we do.

19 MR. FELLHEIMER: What was the question?

14:52:41 20 Q. Text messages, do we have any text messages that the  
21 Defendant is either sending or receiving to support the  
22 allegations in the complaint?

23 A. Yes, we do.

24 Q. Can you give us a sense of what those text messages  
14:52:52 25 say?

McGovern - Direct

1     **A.**     Yes. Generally those text messages are to coordinate  
2     match trades in which the Defendant or one of his  
3     coconspirators is looking to sell stock and he will notify a  
4     coconspirator about the number of shares and the dollar  
14:53:06 5     amount in order to benefit each other.

6             We have text messages regarding market to close, which  
7     is where they'll coordinate a purchase or sell stock at the  
8     end of the day in order for increase the stock price of that  
9     particular stock.

14:53:20 10            We have text messages noting match trades in which  
11     trades are made between accounts, but there's no change in  
12     beneficial ownership of that underlying stock.

13     **Q.**     And how are match trades and market-to-close, how are  
14     they in furtherance of the scheme?

14:53:37 15     **A.**     It was part of the conspiracy to increase the stock  
16     value, increase the price of the underlying stock as well as  
17     to liquidate the Defendant and his coconspirators' shares of  
18     the underlying stocks.

19     **Q.**     What about recordings in this case? We've heard seven  
14:53:54 20     or so of them today. How many recordings or attempted  
21     recordings do we have with circumstance and other  
22     conspirators in this case?

23     **A.**     There are approximately 250 combined recordings or  
24     attempted recordings.

14:54:06 25     **Q.**     Okay.

McGovern - Direct

1 MR. FELLHEIMER: Recordings of what?

2 THE WITNESS: Attempted recordings.

3 Q. An attempted recording is what?

4 A. In which a cooperator places a phone call but not it's  
14:54:19 5 received on the other end by another person.

6 Q. Okay.

7 And some of these recordings, what are some of the  
8 things that the Defendant, some of the statements the  
9 Defendant is making?

14:54:27 10 A. There are discussions regarding commissions to be  
11 paid. There are discussions regarding, as I mentioned  
12 earlier, getting the story straight, which was a set up to  
13 an in-person meeting that was also recorded.

14 Q. The last thing I'd like to discuss with you, Special  
14:54:46 15 Agent, is the scale of this fraud here.

16 During the course of the investigation, how many  
17 different public companies did you find that the Defendant  
18 was associated with and used in furtherance of a scheme?

19 A. I believe between nine and ten. There might have been  
14:55:01 20 more depending on how far we go back.

21 Q. These are all public companies?

22 A. Yes, they are.

23 Q. And in terms of numbers of shares that the Defendant  
24 issued himself in nominees of him, how many shares are we  
14:55:13 25 talking about?

McGovern - Cross

1       **A.**     Tens of millions of shares.

2       **Q.**     And in terms of net proceeds from the sales of these  
3       shares as well as any type of private placements, what are  
4       we talking about in terms of dollar amounts?

14:55:24 5       **A.**     I would say conservatively, between 30 and \$40  
6       million.

7       **Q.**     Since when?

8       **A.**     Since 2006, 2007.

9       **Q.**     Okay. And that's what your investigation reveals as  
14:55:36 10      of today?

11      **A.**     That's correct.

12                   MR. FELLHEIMER: I didn't hear the question.

13      **Q.**     That's what your investigation reveals as of today?

14      **A.**     That's correct.

14:55:41 15                  MR. GEORGALIS: No further questions, Judge.

16                  THE COURT: Okay. Thank you. Mr. Fellheimer.

17                  MR. FELLHEIMER: May I work from here, sir?

18                  THE COURT: Certainly.

19                               CROSS-EXAMINATION OF SEAN MCGOVERN

14:55:50 20      BY MR. FELLHEIMER:

21      **Q.**     Now, let me start with Exhibit 2. Do you have that?

22      **A.**     Yes, sir.

23      **Q.**     Now, if I understood you correctly, this entire page  
24      was taken, I guess, on a fax machine or a copy machine by a  
14:56:35 25      border?



McGovern - Cross

1       **A.**     That's my understanding.

2       **Q.**     In Vancouver?

3       **A.**     That's my understanding.

4       **Q.**     And they took them all at one time?

14:56:39 5       **A.**     I believe it was a photograph.

6       **Q.**     So whoever handed these documents to the guard handed  
7 all of them, right?

8       **A.**     That's my understanding.

9       **Q.**     So the one at the top is a South African, Republic of  
14:56:52 10 South Africa passport; is that right?

11       **A.**     As I read it, yes.

12       **Q.**     And that says Engelbrecht?

13       **A.**     Yes.

14       **Q.**     Then underneath that one is a -- if you read down, I  
14:57:03 15 guess from my left.

16       **A.**     I follow.

17       **Q.**     Is a Social Security card?

18       **A.**     Yes, sir.

19       **Q.**     And that says Izak Zirk De Maison, right?

14:57:11 20       **A.**     As it reads, yes.

21       **Q.**     And then at the same time, he gave a card to the right  
22 of that for De Maison?

23       **A.**     Yes.

24       **Q.**     And then below that, there's a permanent residence  
14:57:23 25 card, right, on the right?

McGovern - Cross

1       **A.**     On the left, yes, there is.

2       **Q.**     Sorry. On the left -- I'll do it for you. To my  
3       left, and that says Engelbrecht, right?

4       **A.**     As it reads, yes.

14:57:36 5       **Q.**     So -- I'm sorry?

6       **A.**     As it reads, that's what I read.

7       **Q.**     Yeah, reads Engelbrecht, and the one on the right  
8       reads De Maison?

9       **A.**     Yes.

14:57:43 10       **Q.**     So at one time, he gave all these documents with all  
11       these -- with both of these names to the same border agent;  
12       is that right?

13       **A.**     That's my understanding.

14       **Q.**     Thank you.

14:58:07 15       Now, let's look at these Chase documents. I believe  
16       they're Exhibits 2, 3 and 4; is that right?

17       **A.**     3, 4, and 5.

18       **Q.**     3, 4, and 5. I'm sorry. Okay.

19       Now, this is an -- all of these are about the same  
14:58:26 20       account; is that right?

21       **A.**     Yes, sir.

22       **Q.**     Bridges Investment, Inc., right?

23       **A.**     Yes, sir.

24       **Q.**     And it talks about transfers -- first of all, looking  
14:58:42 25       at these transfers, they were all made by Angelique, are

McGovern - Cross

1 they not?

2 THE COURT: By whom?

3 Q. Is there anyone on here that says Zirk?

4 A. No, there's not.

14:58:54 5 Q. Is Zirk a signor on this account?

6 A. I'm not aware.

7 Q. Okay. Do you have any evidence that Zirk is a signor  
8 on this account?

9 A. I have a signature card that his wife is a signor.

14:59:06 10 Q. No. I'm asking is this Defendant a signor on this  
11 account?

12 A. No.

13 Q. So this is all an account by someone else to 2011.  
14 You have anything any newer than 2011?

14:59:19 15 A. No.

16 Q. You have any with this Defendant's signature on it?

17 A. No.

18 Q. Lets look at Exhibit 1. Okay?

19 Now, this is a travel list taken from 2006 to 2013,  
14:59:41 20 right?

21 A. Yes, December of 2006.

22 Q. I'm sorry. Really 2007 to 2013 I guess really because  
23 it starts at 1231.

24 A. More or less.

14:59:51 25 Q. You have to forgive me. I just saw these for the

McGovern - Cross

1 first time the last few minutes.

2 **A.** Sure.

3 **Q.** He went out of the country once a month, right?

4 **A.** I didn't estimate the frequency of it.

14:59:59 5 **Q.** Well, you totalled it how many?

6 **A.** 102.

7 **Q.** And how many months are there between 2007 and 2013?

8 **A.** I haven't counted.

9 **Q.** Well, let's see. Seven, eight, nine, ten, 13. We're  
15:00:12 10 talking about, you know, six years, and 12 months a year.

11 So, you know, less than -- about once a month?

12 **A.** I don't think your average is appropriate, given  
13 that -- looking at the last one, there's two travels in  
14 2007. So I wouldn't average it.

15:00:28 15 **Q.** Sometimes he traveled more, sometimes less, right?

16 **A.** That's fair.

17 **Q.** And now, Casablanca Mining has a mining operation,  
18 doesn't it?

19 **A.** That's my understanding.

15:00:38 20 **Q.** And where is it? Where is it?

21 **A.** I believe it's in Chile.

22 **Q.** In Chile. Okay.

23 And Lustros, you know what they do for a living?

24 **A.** I believe they are a copper sulfate business.

15:00:52 25 **Q.** Let's talk about that business. They have copper

McGovern - Cross

1 sulfate mines, is that true?

2 **A.** That's my standing from the investigation.

3 **Q.** And they built a plant, a copper sulfate plant, did  
4 they not?

15:01:03 5 **A.** Again, that's my understanding from the investigation.  
6 I haven't seen it.

7 **Q.** You didn't go down and look at it?

8 **A.** Unfortunately, no.

9 **Q.** But, you've been told about it, have you not?

15:01:11 10 **A.** That's correct.

11 **Q.** And, in fact, that plant just opened in the last year  
12 or so, didn't it?

13 **A.** I wouldn't know.

14 **Q.** Okay.

15:01:18 15 Do you know what they do in that plant? Do you know  
16 what copper sulfate is for?

17 **A.** My understanding, some type of food grade additive.

18 **Q.** No. Actually, would it surprise you to learn --

19 MR. GEORGALIS: Objection.

15:01:31 20 MR. FELLHEIMER: Copper sulfate is a major --  
21 is one of the only sources of both fertilizer and gun  
22 powder.

23 THE WITNESS: Would it surprise me?

24 **Q.** Yeah.

15:01:43 25 **A.** I suppose I don't know much about it.

McGovern - Cross

1 Q. And this plant is producing copper sulfate, is it not?

2 A. I don't know.

3 Q. Now, Mr. Engelbrecht, Mr. De Maison -- by the way,  
4 both names are on the Defendant's -- a number of his trips  
15:01:59 5 were down to Chile, were they not?

6 A. According to this document, yes.

7 MR. FELLHEIMER: One second, please.

8 Q. Did you do anything to determine whether or not these  
9 were each separate trips, by the way?

15:02:47 10 A. I believe there are 125 total entries on the spread  
11 sheet. I'd like to finish answering the question.

12 Q. Just look at the question.

13 THE COURT: Let him finish.

14 MR. FELLHEIMER: Sorry.

15:03:00 15 THE WITNESS: 125 entry total lines. If you  
16 go to the column that reads status number, that reads not on  
17 board. I removed those and come to 102, which is what I  
18 said earlier.

19 Q. Did you -- how did you get this document?

15:03:12 20 A. As I stated earlier, from Customs and Border  
21 Protection.

22 Q. Did you go over it with anybody or they just sent it  
23 to you?

24 A. Just sent it to me.

15:03:21 25 Q. So you don't have anybody telling you how to read this

McGovern - Cross

1 or whether it could be one trip or more?

2 **A.** Not reading it based upon how I interpret it.

3 **Q.** You never discussed this with anybody at border; is  
4 that right?

15:03:39 5 **A.** That's correct.

6 **Q.** Okay.

7 THE COURT: Mr. Fellheimer, can I ask you how  
8 challenging the frequency of his --

9 MR. FELLHEIMER: Yes, your Honor, we are, my  
15:03:49 10 client says some of these -- numerous entries for a single  
11 trip.

12 THE COURT: Okay. But, there's no question  
13 he's made a significant number of trips.

14 MR. FELLHEIMER: Yeah. He made a lot of  
15:04:00 15 trips, but it's a long time, too, your Honor.

16 THE COURT: Okay.

17 MR. FELLHEIMER: I mean it's not 2014. You're  
18 talking about, you know, between six years.

19 THE COURT: I got it.

15:04:08 20 MR. FELLHEIMER: I'm not sure, you know, I  
21 could pass that test.

22 THE COURT: Okay.

23 BY MR. FELLHEIMER:

24 **Q.** Can I ask you, by the way, what does it mean when it  
15:04:28 25 says "not on board"? Does that mean he didn't go?

McGovern - Cross

1       **A.**     That's my understanding.

2       **Q.**     So some of these trips didn't even happen, a lot of  
3       them?

15:04:41

4       **A.**     As I said earlier, there are 125 items listed here. I  
5       removed the ones that said not on board, which were 23.  
6       There were 102 left, which is what my testimony was.

7       **Q.**     All right.

15:05:29

8             So, okay. Let me also -- can you look at the first  
9       page? Just want to make sure we understand. If you look at  
10      the third, the first two entries, it's the same day, and  
11      they show him going outbound from, I guess, Dulles, right?  
12      DFW, Dallas Fort Worth?

13      **A.**     In bound.

14      **Q.**     Okay.

15:05:51

15             And then you have an outbound trip on the 11th because  
16      he went -- he went there on the 11th, came back on the 18th.  
17      So you have three entries for one trip; is that right?

15:06:12

18      **A.**     I don't know whether it was one trip or not. As I  
19      read in the "from" and "to" column, it went from LA to Peru  
20      and returned from Chile to Dallas Fort Worth. Those are the  
21      consecutive entries.

22      **Q.**     Okay.

23             If he left LA to go to Peru and came back through  
24      Dallas Fort Worth, where is SCL?

15:06:28

25             THE COURT: That's Chile.



McGovern - Cross

1 THE WITNESS: Chile.

2 Q. I mean if he made a couple stops and came back, it's  
3 all one trip, though, isn't it?

4 A. I don't know.

15:06:35 5 Q. You don't know. So you don't know how many trips this  
6 is?

7 A. As I said, there are 125.

8 Q. No. I'm asking a different question. Do you know how  
9 many trips this is?

15:06:42 10 A. No, I don't.

11 Q. Thank you.

12 You said that you had a witness who said that he  
13 stopped in Chile to -- on the way to Chile and Panama to  
14 get -- to seek advice from somebody; is that right?

15:07:06 15 A. That's -- yes.

16 Q. Yes. Who was the witness who told you that?

17 MR. GEORGALIS: Objection.

18 THE COURT: Go ahead, Mr. Georgalis, what do  
19 you have here?

15:07:16 20 MR. GEORGALIS: This is a situation where  
21 we've heard recordings where the Defendant has threatened  
22 witnesses before. It's not really relevant to the  
23 cross-examination of this Defendant who the witness is.

24 The Defendant will be given a list of witnesses when  
15:07:29 25 that time is appropriate for purposes of trial preparation

McGovern - Cross

1 and prepares Defense, but it's not relevant I think to this  
2 discussion today.

3 THE COURT: So this is a confidential source?  
4 This is somebody he would know?

15:07:45 5 THE WITNESS: Yes. Yes, Judge.

6 THE COURT: So he doesn't know who this person  
7 is?

8 THE WITNESS: I believe he knows who the  
9 person is.

15:07:51 10 THE COURT: Then we're going to let you allow  
11 your question.

12 THE WITNESS: Gonzo Troncoso.

13 Q. The same guy, right, your witness, right, who said  
14 that?

15:08:00 15 A. Yes.

16 Q. And he said he stopped in Panama and got some advice?

17 A. He didn't get advice; Mr. Engelbrecht.

18 Q. Mr. Engelbrecht got advice?

19 A. That's my understanding.

15:08:10 20 Q. Did he say who?

21 A. The name of the attorney?

22 Q. It was an attorney?

23 A. Yes.

24 Q. So Mr. Engelbrecht or Mr. De Maison. The Court, I  
15:08:16 25 think, prefers we use De Maison.

McGovern - Cross

1 THE COURT: Either one you want. I got it.

2 MR. FELLHEIMER: Okay. That was from the last  
3 hearing.

4 Q. Stopped and consulted an attorney and that's somehow  
15:08:28 5 wrong, huh?

6 A. I don't believe I ever said it was wrong.

7 Q. Let's talk about Mr. Gonzo. Do you know who he is,  
8 not Mr. Gonzo? The first name is Gonzo. The last name is  
9 Troncoso?

15:08:44 10 You know who he is?

11 A. I've met with him.

12 Q. You know what he does for a living?

13 A. I understand he works for web.com for a period of  
14 time, and I believe he was the president of a number of  
15:08:53 15 these companies.

16 Q. Did he work for Lustros?

17 A. Yes, he did.

18 Q. He was a president, wasn't he?

19 A. I believe so.

15:09:06 20 Q. And there were problems with money moving various  
21 places that were alleged about him?

22 A. That's my understanding from reading the e-mail.

23 Q. So he and Mr. De Maison were having some differences,  
24 were they not?

15:09:22 25 A. That's implied from the e-mail, yes.

McGovern - Cross

1 Q. By the way, speaking of that, looking at Exhibit 6 for  
2 a second, and I want you to tell me which words threaten  
3 anybody in Exhibit 6, in your opinion.

4 A. You're asking for my opinion?

15:09:38 5 Q. Yeah, I'll ask your opinion. Just tell me. Which  
6 word?

7 A. It was a number of sentences. If you'd like me to  
8 read them.

9 Q. Yeah, just tell me which ones threaten any action, any  
15:09:49 10 bodily harm or anything to him.

11 A. It says, "You have no idea how I deal with people that  
12 have stolen from my family."

13 Q. You think that's a threat? All right. But, you think  
14 that's a threat?

15:09:59 15 A. Yes.

16 Q. Okay. What else?

17 A. Sending a clear cash analysis on how you pissed this  
18 money away or you will have much more to deal with than me  
19 being pissed at you.

15:10:11 20 Q. Could be if he -- if he can't explain where the money  
21 went, that means a lawsuit?

22 MR. GEORGALIS: Objection.

23 Q. Could it not?

24 THE COURT: Overruled.

15:10:18 25 Q. Threatening a lawsuit is what he's talking about? If

McGovern - Cross

1 he'd play the tape.

2 THE COURT: Is there a question here?

3 Q. Yeah. Could be a lawsuit, could it?

4 A. Entirely hypothetical.

15:10:29 5 Q. I'm sorry?

6 A. What you're saying is entirely hypothetical. It could  
7 be a lot of things.

8 Q. Right.

9 And the tape even talked about lawsuits, did it not?

15:10:37 10 A. That was a separate discussion.

11 Q. Yeah.

12 So, and by the way, in that tape, he said unethical  
13 but not illegal, did he not?

14 A. Are we referring to the e-mail or the tape?

15:10:48 15 Q. The tape.

16 A. That's not the same individual who the call was.

17 Q. In that tape, he said unethical but not legal, didn't  
18 he?

19 A. True but we're in the courtroom.

15:10:59 20 Q. Is that a correct quote?

21 A. Yes.

22 Q. Thank you.

23 Do you have any evidence whatsoever of any account in  
24 which Zirk Engelbrecht or De Maison is a signor outside of  
15:11:17 25 the United States of America?

McGovern - Cross

1       **A.**     No.

2       **Q.**     Now, there's a restaurant conversation you told the  
3       Court?

4       **A.**     Yes.

15:11:31 5       **Q.**     Where was that taken?

6       **A.**     That was in California.

7       **Q.**     Okay. And who was present?

8       **A.**     Two witnesses.

9       **Q.**     Who were they?

15:11:40 10       **A.**     One would be confidential source, another one, another  
11       individual arrested along with Mr. Engelbrecht, Stephen  
12       Wilshinsky.

13       **Q.**     Who was the other person?

14                   THE COURT: We're not going to be naming  
15:11:52 15       confidential sources.

16                   MR. FELLHEIMER: Okay. I'm sorry.

17       **Q.**     And where was that -- what restaurant was that in?

18       **A.**     I don't know.

19       **Q.**     Oh, how do you know about the meet?

15:12:04 20       **A.**     We had a discussion with our source.

21       **Q.**     So he told you and that's how you know?

22       **A.**     Yes.

23       **Q.**     And what did you -- did you talk to both him and to  
24       the other person present?

15:12:17 25       **A.**     No, I didn't.

McGovern - Cross

1 Q. So you only have his statement about what took place  
2 at the meeting?

3 A. That's correct.

4 Q. Did you do anything to verify it?

15:12:26 5 A. I listened to the recording.

6 Q. And what did the recording say?

7 A. I believe you heard what the recording said.

8 Q. Okay. I didn't hear on the recording any threats of  
9 illegal activity, did you?

15:12:38 10 THE COURT: If you could summarize the  
11 activity again in answer to his question.

12 THE WITNESS: Yes, sir. The section played  
13 was in reference to, "I got to pack my bags and go,"  
14 implying the Defendant's going to leave the country.

15:12:47 15 Q. That was the one we couldn't understand, right?

16 A. That's the one I summarized, yes.

17 Q. But, you played it. We -- could we hear that again?

18 MR. FELLHEIMER: Your Honor, I'd like to hear  
19 it. I didn't hear those words.

15:12:59 20 THE COURT: Sure, okay.

21 (Tape played.)

22 BY MR. FELLHEIMER:

23 Q. I met you in California. When was that?

24 A. April.

15:13:23 25 Q. So back in April, Mr. Engelbrecht knew you were

McGovern - Cross

1 investigating him, right?

2 **A.** I don't think that's a fair statement. We didn't  
3 interview Mr. Engelbrecht. We didn't attempt to interview.

4 **Q.** But, you interviewed everything you knew. Trish  
15:13:36 5 Malone, you interviewed Maggie Jamison, you interviewed lots  
6 of people in California, did you not?

7 **A.** We interviewed other people.

8 **Q.** And I came out because he called me and asked me to  
9 come out.

15:13:46 10 **A.** I believe you said you were representing Maggie  
11 Jamison.

12 **Q.** At the time, yeah.

13 **A.** Yes.

14 **Q.** But -- so he knew there was an investigation going on,  
15:13:52 15 did he not?

16 MR. GEORGALIS: Objection.

17 THE COURT: If he can answer it.

18 THE WITNESS: I don't believe I can answer it.  
19 I don't know the answer to that question.

15:13:57 20 **Q.** Between April of 2014 and the date that he was  
21 arrested, did Mr. Engelbrecht make any attempt to leave the  
22 United States of America?

23 **A.** Yes, he did.

24 **Q.** When?

15:14:09 25 **A.** We have the same discussion regarding this Exhibit 2.



McGovern - Cross

1 He went to Vancouver.

2 Q. And came back? And came back?

3 A. Yes.

4 Q. But, did he make any attempt to leave -- to leave,  
15:14:20 5 permanently? I don't mean to go visit someplace, but to  
6 leave.

7 MR. GEORGALIS: Objection.

8 THE COURT: If he can answer.

9 THE WITNESS: I can't answer that question. I  
15:14:27 10 don't know.

11 Q. Do you know of any attempt to leave and not come back,  
12 not go to Canada a day or two and come back but leave and  
13 not come back.

14 A. He wouldn't be here if he left and didn't attempt to  
15:14:40 15 come back.

16 Q. Or if he attempt to leave and not come back?

17 A. I don't know how to answer that question.

18 THE COURT: He's asking if you are aware.

19 THE WITNESS: I'm not aware of any, no.

15:14:51 20 MR. FELLHEIMER: Thank you.

21 Q. Now, what -- I don't understand. Mr. Engelbrecht was  
22 getting rid of a car and leasing another car, is that what  
23 that was about?

24 A. My understanding from listening to the phone calls was  
15:15:15 25 that he had -- I don't believe he played the audio. I

McGovern - Cross

1 summarized it. He had sold two or three vehicles and kept  
2 one as a lease. I believe in the calling reference, it was  
3 a Cadillac.

15:15:33

4 **Q.** Is there some -- something nefarious about reducing  
5 the number of cars that one has?

6 **A.** My understanding, I'm implying -- I would be implying  
7 my understanding of the call that he sold those cars, took  
8 the proceeds; thus, liquidating assets.

15:15:47

9 **Q.** But, that could be for a lot of economic reasons,  
10 could it not, because of expenses?

11 **A.** Sure.

12 **Q.** By the way, were those cars owned or leased?

13 **A.** I don't know.

14 **Q.** Okay.

15:16:06

15 So if he was just cutting expenses because income was  
16 down or, you know, does that prove anything?

17 **A.** I don't believe so.

18 **Q.** Did Mr. Clifford give you any documents with respect  
19 to his -- the story told about him in stock?

15:16:43

20 **A.** No.

21 **Q.** What did you do to confirm that the story he told you  
22 about the registered or unregistered stock was true?

23 **A.** I have reviewed text messages in which Mr. Engelbrecht  
24 notes that Mr. Clifford has 200,000 shares of restricted  
15:17:02 25 stock in the company.

McGovern - Cross

1 Q. Anything else, anything to confirm that this was, you  
2 know, some kind of collateral for the debt of another kind?

3 A. No.

4 Q. By the way, isn't it true that both Casablanca Mining  
15:17:50 5 Company and Lustros have independent Board of Directors?

6 A. I believe so.

7 Q. And isn't it true that Mr. Engelbrecht is not a  
8 director of either company?

9 A. Right now?

15:18:02 10 Q. Yes.

11 A. I don't know offhand.

12 Q. And isn't it true that Lustros has its own chairman  
13 here in Ohio?

14 A. Again, I don't know offhand. I believe so, but I  
15:18:18 15 don't know offhand.

16 Q. I'm sorry?

17 A. I believe so, but I don't know offhand.

18 Q. And what were revenues for Lustros in 2013?

19 A. I have no idea.

15:18:30 20 Q. What were the revenues for Casablanca Mining in 2013?

21 A. Casablanca Mining has not filed any financials for  
22 well over 12 months. So I'm not sure.

23 Q. When you were talking to all these people, did you ask  
24 what the revenues were?

15:18:42 25 A. No.

1 Q. I understand you saying Casablanca Mining passed over  
2 files?

3 A. That's right.

15:18:54

4 Q. Is Mr. De Maison an officer or director of Casablanca  
5 Mining?

6 A. I don't know.

7 Q. How about Lustros? Is it current on its funds?

8 A. Offhand, I don't know.

15:19:17

9 MR. FELLHEIMER: No further questions, your  
10 Honor.

11 THE COURT: Thank you. Mr. Georgalis?

12 MR. GEORGALIS: May I have a moment, Judge?

13 THE COURT: Sure.

14 (Counsel conferring.)

15:19:42

15 MR. GEORGALIS: No further questions, Judge.

16 Thank you.

17 THE COURT: You may step down. Thank you.

18 THE WITNESS: Thanks, Judge.

19 MR. GEORGALIS: No further witness, Judge.

15:19:50

20 Thank you.

21 THE COURT: Okay.

22 MR. FELLHEIMER: May I have a couple minutes,  
23 your Honor, to talk to my client?

24 THE COURT: Sure. We can take a recess. I

15:19:57

25 want to make sure you identify the victim in the courtroom,

1 whether that -- we are going to give that victim an  
2 opportunity to address the Court if he wants to.

3 MR. GEORGALIS: Very good, Judge.

4 THE COURT: And do you want to do that now or  
15:20:10 5 do you want to do it after you have --

6 MR. FELLHEIMER: I'm sorry. I can't hear your  
7 Honor.

8 THE COURT: There's a victim in the courtroom.  
9 According to the law, he has an opportunity to address the  
15:20:19 10 Court.

11 MR. FELLHEIMER: Mr. Powers?

12 THE COURT: Yeah.

13 MR. FELLHEIMER: Yeah, if he wants to address  
14 the Court, let him to do so now.

15:20:25 15 THE COURT: Sir, would you come up to the  
16 podium, identify yourself, and I'll give you an opportunity  
17 to address the issue of bond.

18 MR. POWERS: Your Honor, yes. Jerry Powers,  
19 Jerry.

15:20:38 20 THE COURT: Jerry Powers?

21 MR. POWERS: Yes.

22 THE COURT: Could you spell your name, please?

23 MR. POWERS: J-E-R-R-Y, P-O-W-E-R-S.

24 THE COURT: Go ahead, sir.

15:20:47 25 MR. POWERS: Yes, your Honor.

1           The group that Mr. Engelbrecht is with, what they've  
2 got is a racket going to where they get you into Casablanca.  
3 The stock was \$12. Goes right down to a penny a share.  
4 Okay.

15:21:02 5           What they do is dump the shares, Mr. De Maison and  
6 Zirk do that. You'll see that they dump their shares and  
7 said that there was probably eight or ten companies that  
8 they have that they work with. There's actually about 30  
9 that I've counted, okay, that have been delisted or they're  
15:21:22 10 worthless.

11           Casablanca is worthless. Lustros is worthless. What  
12 happened to me was Cancun was also listed in the lawsuit.  
13 Zirk Engelbrecht entered into an agreement with them to put  
14 shares on me.

15:21:38 15           So what they did is they told me Tom Long was on the  
16 phone. He was the president of the company. And Zirk was  
17 the president when I bought the shares.

18           THE COURT: Which company?

19           MR. POWERS: Pardon?

15:21:51 20           THE COURT: What company?

21           THE WITNESS: Casablanca.

22           THE COURT: Okay.

23           MR. POWERS: He was president of the company.

24           And anyway, all he see that his wife was selling  
15:21:59 25 shares, and then during her selling of shares, okay --

1 THE COURT: Whose wife?

2 MR. POWERS: Zirk Engelbrecht.

3 THE COURT: Okay.

4 MR. POWERS: Okay.

15:22:07 5 She's gifted all these shares about him. So 90  
6 percent of the shares belong to the insiders. What they do  
7 is get Cancun like small cap resources to go out and push  
8 the shares to say that it's \$25 stock. They have gold and  
9 all this. If you take a look at the revenues, it's only  
15:22:24 10 like 30,000 for the year. Okay.

11 They pushing this as a \$12 stock and they pushing as a  
12 \$2 stock. The stock is worthless, and what they do is dump,  
13 all the insiders dump them. I lost, okay, with their group  
14 over a half million, okay. Of the people that they work  
15:22:41 15 with was Zirk, especially with just Casablanca, \$250,000.

16 THE COURT: Okay.

17 MR. POWERS: And Zirk then threatened me,  
18 okay, saying if I ask for my money, okay, what he was going  
19 to do. He was going to sue me for extortion.

15:22:58 20 I said Mr. Engelbrecht, go ahead. And he sue me for  
21 extortion. I guess his attorney that they talk about, which  
22 is Mr. Kenneth Deed, okay, who doesn't really have any, more  
23 or less, okay, he pays him a thousand dollars, okay, every  
24 once in a while. And he had him send me to California  
15:23:23 25 court, in federal court, okay, for extortion for asking for

1 my money back.

2 And Mr. Engelbrecht sent me an e-mail saying we'll see  
3 who laughs last okay, okay, said that to me on the phone,  
4 too. Sent me an e-mail that says we'll see who has the last  
15:23:39 5 laugh or something like that. And when this is all done,  
6 they have that e-mail.

7 Then what he did was -- I tried to get an attorney. I  
8 called about 30 attorneys. I couldn't get an attorney to  
9 take the case. And because they said even if they won, what  
15:23:57 10 these guys in the background, they would just move the money  
11 out of the country. So even if you won, Jerry said it would  
12 cost you six figures, okay, in a federal court. And they  
13 said -- and they take the money and run.

14 Because what they said is they go and take their money  
15:24:15 15 between Russia, France, and move it around the country. And  
16 that's what you heard here today; moving money out of the  
17 country. Okay.

18 So then what they do is put me through seven months of  
19 trial, and Mr. Fellheimer is also part of that. He came  
15:24:30 20 into the lawsuit. This is malicious prosecution, okay,  
21 against me in the California court. Okay?

22 And I told Mr. Fellheimer here that I'm going to sue  
23 him for malicious prosecution because he came in and he said  
24 that not unless I file something. He kept filing, and I let  
15:24:48 25 him know under Rule 11, you have all the information. This



1 is a fraudulent --

2 THE COURT: Mister --

3 MR. POWERS: -- case against me. Okay? And  
4 you brought for seven months against me while I was ill.  
15:25:00 5 Okay? I had heart problems, and these guys knew it and they  
6 continued for seven months. I had to go pro se. Okay?

7 They've taken the money away from my children, their  
8 future, and everything. I don't want this man to get out of  
9 jail. I want him to go to jail. Right now the whole  
15:25:16 10 system, this guy is worse than Bernie Madoff. He was above  
11 the radar screen. He's below. Nobody can sue okay, him,  
12 because no attorney will take the case, because you can't  
13 take a case against a crook that hides money. Okay.

14 And that's been my problem. Okay? And like I say,  
15:25:40 15 he's ruined my life, my future for my kids. He's taken all  
16 my retirement savings. Okay. And Mr. Fellheimer is also  
17 part of that problem with Kenneth and Fellheimer coming  
18 against me. Both attorneys were coming after me in the  
19 California law lawsuit for extortion. I said if it's  
15:26:04 20 extortion, let's go ahead and do it. I want a jury trial.

21 Well, all of a sudden they dismiss because they're  
22 afraid. Okay. I still want a jury trial. And I'm going in  
23 federal court in Toledo against these guys. Okay. So I've  
24 already warned Mr. Fellheimer I'm coming, and there will be  
15:26:24 25 a suit filed. Okay. And I just hope that they're not

1 paying for this out of my money. Mr. Fellheimer shouldn't  
2 get a damned dime, okay, of my money, for this crook. Okay.  
3 That's all I really have to say.

4 THE COURT: Thank you.

15:26:39 5 MR. POWERS: Thank you.

6 THE COURT: You want a couple minutes now  
7 Mr. Fellheimer?

8 MR. FELLHEIMER: I think so. Can I approach  
9 the bench for a moment, your Honor?

15:26:54 10 THE COURT: Sure.

11 (Discussion at side bar off the record.)

12 THE COURT: Let's see. Recess, ten minutes.  
13 What else -- do you think you're going to have any  
14 testimony?

15:27:28 15 MR. FELLHEIMER: That's what I want to find  
16 out?

17 THE COURT: All right. All right. You've got  
18 ten minutes. Okay?

19 (Thereupon, a recess was taken.)

15:38:02 20 THE COURT: Okay. Mr. Fellheimer, what's it  
21 going to be, sir?

22 MR. FELLHEIMER: No, I'm not going to call any  
23 witnesses.

24 THE COURT: Okay.

15:38:11 25 MR. FELLHEIMER: Okay.

1 THE COURT: Very good.

2 Do you have argument you want to offer, Mr. Georgalis?

3 MR. GEORGALIS: I do, Judge, briefly.

4 THE COURT: Go ahead.

15:38:19 5 MR. GEORGALIS: Judge, the Government believes  
6 this Defendant should be detained. There are no conditions  
7 or set of conditions to reasonably assure his appearance for  
8 any further court proceedings. As the Court heard here  
9 today, the Defendant is a flight risk here. He's a  
15:38:32 10 significant flight risk. He has no ties to this community,  
11 no ties to this district whatsoever and very few in any of  
12 the United States of America. He's not a citizen of the  
13 this country. He's a citizen of South Africa. He's a green  
14 card holder here, which means that if he's convicted of  
15:38:47 15 these offenses, he can't be deported, which is a  
16 significant, significant consequence to him, which to me  
17 means he is a flight risk.

18 These are serious crimes, Judge, that carry serious  
19 maximum terms of imprisonment. The security frauds carry a  
15:39:03 20 25-year sentence. So the Defendant is facing very, very  
21 serious crimes and very, very serious consequences.

22 The loss amount in this case is staggering, and as  
23 this Court knows, oftentimes in white collar cases, the loss  
24 amount is what drives a sentence.

15:39:17 25 Special Agent McGovern testified that the loss on this

1 case, just for a relatively short period of time, is  
2 someplace between 30 and \$50 million. So it's a  
3 significant, significant loss.

4 As this Court heard, the Defendant has very, very few  
15:39:35 5 ties to this country at all. He's selling off his vehicles,  
6 to put them into cash which can be easily moved from country  
7 to country. He has significant ties in other countries,  
8 ties into France, ties into South Africa with his siblings  
9 living there, with a stated intention after this case,  
15:39:54 10 overt, of going to France, of packing his bags and leaving.

11 There's money that is hidden and stowed away overseas  
12 -- albeit, in his wife's name presumably, but he has access  
13 to those funds, Judge.

14 Most importantly, he can run his scheme and has run  
15:40:11 15 this scheme from anywhere in the world. He doesn't have to  
16 be in the United States. He doesn't have to be in this  
17 district to run his scheme. He could leave this country, go  
18 to wherever he's going to go and continue this world of  
19 fraud that he's sort of created on himself.

15:40:27 20 The Defendant is a danger to the community, both  
21 economically and physically. This Court heard that there  
22 are multiple recordings where the Defendant says that he  
23 would do things to people if they did things he didn't like.  
24 If they did things that were against his interests, he would  
15:40:46 25 do things to them. One could read into that however they

1 want, but these are threats, real threats, threats he makes  
2 time and time again to people that would be witnesses in the  
3 case against him.

4 So that's very, very significant. But, even more --  
15:41:04 5 maybe more significantly, he is an economic danger to  
6 people.

7 MR. FELLHEIMER: Excuse me?

8 MR. GEORGALIS: An economic danger to people.  
9 Mister -- Special Agent McGovern testified that all he needs  
15:41:15 10 is a phone and Internet access in order to continue his  
11 scheme to defraud. He trades stock, not only in his own  
12 name but in the name of other people and nominee names and  
13 he could do so. As part of the budget Mr. Fellheimer put  
14 together for this Court, he's asking for this Defendant to  
15:41:31 15 have access to the, international access to a phone. That  
16 is a significant risk.

17 THE COURT: Was there testimony that some of  
18 the stock transferred through his wife's name?

19 MR. GEORGALIS: Yes, Judge, there was  
15:41:39 20 testimony that --

21 MR. FELLHEIMER: Your Honor, they weren't  
22 married then.

23 THE COURT: Okay. I'm just --

24 MR. FELLHEIMER: They weren't married.

15:41:45 25 THE COURT: You're going to get your chance to

1 argue.

2 MR. FELLHEIMER: All right.

3 THE COURT: I'm just asking the question just  
4 to make sure that I had that right.

15:41:52 5 MR. GEORGALIS: The Defendant -- the Defendant  
6 only recently married Ms. De Maison, in 2013.

7 THE COURT: I read that in the --

8 MR. GEORGALIS: Seven or eight years, they  
9 have two children together, Judge, ages six and seven. So  
15:42:04 10 they've been together since 2006 at least. Perhaps earlier.  
11 That's just the age of their kids.

12 So the threat to the community both economically and  
13 physically is significant. The threats of the witnesses in  
14 this case are significant. And last, Judge, the weight of  
15:42:18 15 the evidence in this case is very, very strong. Special  
16 Agent McGovern testified to e-mails and text messages and  
17 recordings, all of which inculcate the Defendant. They are  
18 his own statements regarding the scheme. There's no way to  
19 argue around what he's saying this those statements. These  
15:42:35 20 are his words. They are coconspirator statements regarding  
21 the Defendant's activities. So the weight of the evidence  
22 in this case is very strong.

23 Judge, perhaps, you know, most importantly, there's  
24 nothing -- no argument I could make that would be as, I  
15:42:51 25 think, significant or certainly as passionate as the

1 statements you heard today from Mr. Powers, a victim in this  
2 case.

3 Mr. Powers, as he's testified to this Court, lost over  
4 \$500,000 with this Defendant. And he said that he received  
15:43:06 5 threats from this Defendant. He said that this Defendant is  
6 a flight risk and the Government believes that he's correct.  
7 And there's nothing I can say that could be more, I think,  
8 persuasive to this Court that this Defendant does not  
9 deserve bond in this case and should be detained.

15:43:22 10 THE COURT: Okay.

11 Before you -- I turn this over to you for your  
12 argument, I want to talk to Ms. Cabanes.

13 You have an adopted the pretrial report from  
14 California, correct?

15:43:34 15 PROBATION OFFICER: Yes, your Honor.

16 THE COURT: Is there anything here that you  
17 heard today that would cause you to change your  
18 recommendation from detention to some kind of bond?

19 PROBATION OFFICER: No, your Honor.

15:43:43 20 THE COURT: All right. Thank you.

21 MR. FELLHEIMER: Everything they presented  
22 today, everything, when you start to look at it doesn't hold  
23 up. They say there are accounts overseas but none are his.  
24 The money was transferred in 2011; not now, not in 2012, not  
15:44:14 25 in 2013, not in 2014, back in 2011.

1 THE COURT: Those accounts do belong to his  
2 wife, correct?

3 MR. FELLHEIMER: They weren't his wife then.

4 THE COURT: I understand. I got the date of  
15:44:24 5 the marriage.

6 MR. FELLHEIMER: She wasn't his wife. He had  
7 no legal interest by marital wife or community property.  
8 None. He has none. No interest in it. And he's not a  
9 signor on the account. I can understand if he was a signor  
15:44:43 10 on the account, but he's not.

11 I looked at the threat. Didn't seem like much of a  
12 threat to me. I listened to what it said. I'm going to do  
13 something unethical but not illegal.

14 THE COURT: Do you think a threat is a  
15:44:55 15 physical threat?

16 MR. FELLHEIMER: No, I don't think --

17 THE COURT: You think a threat could be --

18 MR. FELLHEIMER: Mr. Powers stood here and  
19 told you he threatened to sue me. All I did was get a suit  
15:45:05 20 dismissed.

21 THE COURT: Let me ask my question. Do you  
22 think that a threat could include economic damage?

23 MR. FELLHEIMER: A threat to sue is very  
24 serious. I don't like it, you don't like it, nobody likes  
15:45:16 25 it.



1 THE COURT: A threat to bring a suit with --  
2 an invalid suit.

3 MR. FELLHEIMER: Well, that's not what he  
4 says. He says you've done wrong. If you can't explain  
15:45:25 5 where this money went, you may face a suit. Guess what?  
6 I'm not sure that's invalid. If in fact money disappeared  
7 or didn't go where it should have gone, I don't like the way  
8 the e-mails read. That's not how I like to talk, but the  
9 fact of the matter is suppose I mean -- you got to read this  
15:45:43 10 thing for what it says. It says you have to explain where  
11 did all that money go. And if you can't, I'm going to deal  
12 with it or you're going to have a problem. Well, yeah, just  
13 like he has a problem because he has to explain a lot of his  
14 actions since 2006.

15:45:59 15 THE COURT: That wasn't the only threat.

16 MR. FELLHEIMER: That was the only threat.  
17 There is no threat in there. No threat of bodily harm.

18 THE COURT: No, there were threats against  
19 other witnesses to the same -- to the same effect as I  
15:46:10 20 understood the testimony.

21 MR. FELLHEIMER: I haven't seen those. I  
22 haven't seen anything.

23 THE COURT: You heard testimony, though.

24 MR. FELLHEIMER: Yeah, but he -- hearsay on  
15:46:17 25 hearsay on hearsay and I can't question. And you don't know

1 the statement. Bad enough we have an out-of-court statement  
2 by a non-present witness on top of all that.

3 THE COURT: He's threatening to do the same  
4 thing to that witness that Mr. Powers said that he did to  
15:46:33 5 him, right?

6 MR. FELLHEIMER: Can I cross-examine  
7 Mr. Powers?

8 THE COURT: You can argue about what  
9 Mr. Powers said.

15:46:38 10 MR. FELLHEIMER: Mr. Powers?

11 THE COURT: As long as you do not attack  
12 Mr. Powers personally, you may respond.

13 MR. FELLHEIMER: I'm not. But, Mr. Powers, I  
14 think some of his facts are incorrect.

15:46:46 15 THE COURT: Okay.

16 MR. FELLHEIMER: One, I understand he's angry.  
17 I have e-mails, I have pleadings, I have motions. There was  
18 a case. I came into the case very, very late, and I got it  
19 dismissed. I filed a Rule 15 dismissal and dismissed the  
15:47:03 20 case. I thought it was ridiculous and dismissed it. That's  
21 what I did. I answered one of his motions, and I filed a  
22 Rule 15 dismissal. That's all I ever did in the case, came  
23 in very, very late.

24 THE COURT: He had no reason to question  
15:47:14 25 your --

1 MR. FELLHEIMER: Just saying.

2 Now I've received nothing, but -- I get threatened by  
3 Mr. Powers all the time. He writes me threats. I happen to  
4 have them. I could show them to you, to the Court.

15:47:24 5 I don't believe that Mr. Powers met Mr. De Maison at  
6 the time he bought any stock from anybody. He met  
7 Mr. Powers some -- Mr. De Maison some time thereafter.

8 I also believe that Mr. Powers -- Mr. Powers expressed  
9 his -- had bought a number of stocks from Mr. Kumn and other  
10 people, only one of which was Casablanca Mining.

11 And when -- he got a hold of Zirk somehow. And when  
12 he got a hold of Mr. De Maison, Mr. De Maison, he was -- he  
13 and Mr. De Maison, he suggested to Mr. De Maison he could  
14 come to work for Casablanca Mining. He could work with  
15 Mr. De Maison. We have e-mails to that effect. And Mr. De  
16 Maison, for reasons best known to himself, gifted, gave,  
17 gifted, shares in Lustros to Mr. Powers. Not -- didn't cost  
18 him a dime.

19 How many shares did you get? 200,000 shares or  
15:48:04 20 something?

21 MR. GEORGALIS: Objection, Judge. This isn't  
22 evidence. I don't know what this is.

23 MR. FELLHEIMER: Well, gifted shares to him.  
24 He didn't pay for them. They were gifted.

15:48:36 25 Look. Mr. Powers is very angry. I understand that.

1 And he's been sick, and I do understand. I don't want to  
2 attack Mr. Powers, but it's also not evidentiary. And, you  
3 know it's not evidence.

4 THE COURT: The statute gives him a right.

15:48:54 5 MR. FELLHEIMER: I understand and I sat and  
6 listened.

7 THE COURT: You did.

8 MR. FELLHEIMER: Just like I read his e-mails,  
9 I sat and listened. All right.

15:49:04 10 So I parsed down what the Government is saying. The  
11 first thing they say, I have to deal with, most importantly  
12 is this whole concept what's he going to do with the  
13 computer. I am sure that we can work out a limitation on  
14 web sites and any time he accesses the web because I'm not  
15:49:26 15 going to web him. I'm going to e-mail him. I can -- the  
16 Government can see it. I'll set it up so the Government can  
17 just monitor what he puts on the web. That's doable, and I  
18 can do it.

19 So he's not looking to get on the web. In fact, I'll  
15:49:39 20 restrict him so he can't get on. All he can get is e-mails,  
21 and the e-mails -- you can restrict who he gets e-mails  
22 from, I don't care, but it's really e-mails to and from me.  
23 We'll send him documents that way and send either that way  
24 or through dock landing or we can restrict that. If he  
15:50:00 25 doesn't have a passport, he can't go anywhere. If he's

1 wearing a bracelet, you know, a monitor, he can't go  
2 anywhere. Yeah, he doesn't have any ties to Ohio. You  
3 decide to sue him in Ohio. He was in California. That's  
4 where he was arrested. That's where he lived. Okay.

15:50:18 5 We're trying our best. So we said okay, you want --  
6 you sued him here. Okay. We'll put him in an apartment  
7 less than a mile from this building, less than a mile from  
8 this building. We'll restrict his movement. We'll -- he'll  
9 be in the apartment but at least that way, we can deal with  
15:50:35 10 it and we can do -- and we said to the Government we'll sit  
11 down and show you documents. We'll go over it all with you,  
12 which I can't do if he's in Youngstown because I can't get a  
13 computer. I can't take the documents to him. I can't do  
14 anything. I'm really --

15:50:48 15 THE COURT: What's the status of this part?

16 MR. FELLHEIMER: My wife has arranged for --  
17 it's in the budget. The number the broker is waiting to  
18 hear from me. I don't know what I'm going to do but as soon  
19 as -- if your Honor says okay, upon proof that the  
15:51:04 20 apartment's there and everything, it'll be arranged  
21 immediately. It's all worked out and talked about. My  
22 wife's a lawyer, by the way. The name of the firm  
23 Fellheimer. She's a member of the bar, not this Court but  
24 Pennsylvania, New Jersey, and New York, and --

15:51:16 25 THE COURT: You know, the Court is somewhat

1 sympathetic with the question of your preparation for  
2 defense and the complexity of the case and the volumes  
3 involved. So I'm going to let Mr. Georgalis address that  
4 also when you get done but --

15:51:32 5 MR. FELLHEIMER: I'm trying to find a way to  
6 be able to do this that he's not a flight risk. I am  
7 willing to agree because you can't order this, the  
8 Government can't demand it, but I'll offer it. For him, not  
9 for me. He will not speak to any witness.

15:51:46 10 THE COURT: Well, he's not going to speak to  
11 any witnesses.

12 MR. FELLHEIMER: He will not speak to any  
13 witnesses. If you allow him to go, he will not call the  
14 witness. He will not e-mail the witness. He won't talk to  
15:51:55 15 a witness. And if the witness writes to him, he will not  
16 write back. He will not talk to any witnesses. I may talk  
17 to witnesses, as is my right as his counsel, but he will not  
18 talk to any witnesses. All I want him to be able to do is  
19 help me prepare not only for this trial, but we have the  
15:52:15 20 whole thing going on in New York, and the two --

21 THE COURT: I'm not familiar with what's in  
22 New York.

23 MR. FELLHEIMER: There's a suit in New York  
24 called SEC versus Cope, et al., which he is a Defendant,  
15:52:26 25 along with the other names you heard around here. The U.S.

1 Attorney, Mr. Georgalis, and his team, and SEC senior  
2 counsel, Fisher, Howard Fisher, work together, interview  
3 witnesses together. They're working together on this.

4 Now, we have filed motions with Judge Cote in the  
15:52:48 5 District Court of New York, Southern District, asking her to  
6 stay that case pending this case, and also to -- there's an  
7 asset freeze, and to modify, we entered into an agreement  
8 yesterday with the section to schedule that SEC hearing on  
9 the asset portion on the 22nd, but the big stay hearing  
15:53:13 10 won't be until early December, I think the 4th.

11 The Government -- the SEC is considering maybe  
12 agreeing to some stay or modification, some form of stay.  
13 We're working with them on that.

14 But, there's that whole case is going on, and these  
15:53:31 15 two have gone simultaneously. And again, tons and tons of  
16 documents. Your Honor, I don't believe \$30 million ever got  
17 transferred here. I think the numbers are going to come way  
18 down. You can just take one whole zero off of that, at  
19 least. Easily, it's going to come way down and I think --

15:53:53 20 THE COURT: \$300,000?

21 MR. FELLHEIMER: No, \$3 million.

22 THE COURT: \$3 million, 30 million. He said  
23 30 to \$50 million I think he said, right?

24 MR. GEORGALIS: Yes.

15:54:02 25 MR. FELLHEIMER: Yes. I think off.

1 THE COURT: \$3 million?

2 MR. FELLHEIMER: What?

3 THE COURT: \$3 million?

4 MR. FELLHEIMER: Yeah, 3 to 5 is the amount of  
15:54:08 5 money but not to him, and we'll get into all that. I  
6 mean --

7 THE COURT: We're not trying the case right  
8 now.

9 MR. FELLHEIMER: Right. We're not trying the  
15:54:15 10 case. I'm not prepared to try the case and never going to  
11 be prepared to try the case if he's sitting in Youngstown.  
12 I'll never be able to sit with him and get documents in  
13 front of him and say what's this, what's that, what's this,  
14 what that's. And I think maybe frankly, I think if you --  
15:54:31 15 if the Government will meet us halfway with this, we'll be  
16 able to help the Government understand this case better.

17 I'm not -- this is -- you know, your Honor knows 90 X  
18 percent of the cases that come before this Court -- this  
19 Court, meaning all the District Courts on criminal matters  
15:54:48 20 get settled. The opinion, you know, plea bargaining,  
21 discuss that, how important it is. So I'm not looking to  
22 necessarily have a trial in this case. We're trying to work  
23 with the Government. But, I think we can restrict his  
24 ability to get on the Internet if we could just get e-mails  
15:55:06 25 and if we could just get e-mails from the -- I won't even



1 use dock -- break them all up so he can get all e-mails and  
2 get them, you know -- I'll allow the Government access to  
3 his web browser; not to my e-mail but to his web browser.  
4 So he'll know he's not on the web. Keep him off the web.

15:55:26 5 But, let him -- it would be eight-tenths of a mile.  
6 They can go visit him. Just down the street. But, if he's  
7 in Youngstown jail, I can't even take my computer. I can't  
8 take that in. I can't even take it in and say hey look at  
9 this, look at that, look at this. All he can do is write me  
15:55:44 10 these barely legible notes that he sends me because he can't  
11 have a computer to write them legibly.

12 I can't prepare for trial. I can't prepare for  
13 anything. I can't give the Government what it really wants  
14 from us, the kind of cooperation it wants without having him  
15:55:59 15 access to it, to the e-mail, and access to be able to type  
16 up and write it, and that's all I'm looking for, being able  
17 to prepare.

18 He's not running away. Believe me. He's had plenty  
19 of opportunity. He could have gone easily from, you know,  
15:56:15 20 when I was out there, and I met with the FBI, these  
21 gentlemen, and I told them I represented Zirk and some other  
22 people, and there was some objection to that, you know. He  
23 knew they were on his tail. They knew obviously, he was the  
24 target. He could have gone. He didn't. No, he doesn't  
15:56:38 25 have much of way of ties here. It's not his home.

1 THE COURT: Okay.

2 MR. FELLHEIMER: We can set him up and we can  
3 protect him.

4 THE COURT: Let me hear from Mr. Georgalis.

15:56:46 5 You know, I am sympathetic about the complexity of the  
6 case, Mr. Georgalis, as I think you can appreciate. So tell  
7 me what you're thinking here.

8 MR. GEORGALIS: Judge, a lot of thoughts; one  
9 of which is obviously, Mr. Engelbrecht would not be the  
15:57:02 10 first white collar criminal defendant to be detained  
11 pretrial. It happens.

12 It's not the Government's fault that he put himself in  
13 a position to be a flight risk, but he put himself in a  
14 position to be a danger to the community, and he put himself  
15:57:18 15 in those positions knowing the complexity of his case,  
16 knowing how difficult it would be to defend himself.

17 The risk of his flight is too significant. The risk  
18 of the danger to the community is just too significant to  
19 ignore.

15:57:32 20 With respect to preparing the case, I would recommend  
21 to the U.S. Attorney that if the Defendant needed more time,  
22 if he wanted to waive additional speedy trial rights to  
23 extend time by which we have to indict or otherwise proceed  
24 with the case, I'd recommend to the U.S. Attorney that we  
15:57:47 25 give him more time.

1           If the Defendant were to move a District Court at some  
2 point that this is a complex case, we would consent that  
3 this is a complex case and allow more time for the Defendant  
4 to work with his attorney to prepare his defense.

15:58:01 5           These are the kind of things that we can do to sort of  
6 make sure that he's prepared and his attorney's prepared.  
7 But, again Judge, the risks are just too high.

8           THE COURT: Okay. If there are terms and  
9 conditions that would satisfy the threat to the community or  
15:58:24 10 his appearance, I haven't heard them.

11           So I'm going to give you until Monday, to get -- to  
12 put --

13           MR. FELLHEIMER: You mind if I come closer?

14           THE COURT: Sure. I said I'm going to give  
15:58:37 15 you until Monday to make some kind of proposal to Pretrial  
16 Services.

17           MR. FELLHEIMER: Yes, sir.

18           THE COURT: That would satisfy them as to the  
19 danger to the community issues and the danger of flight  
15:58:49 20 issue.

21           MR. FELLHEIMER: Yes, sir.

22           THE COURT: Now, I've heard you talk about  
23 some things. I'm not -- as I sit here, I'm not aware of  
24 what that would be that would satisfy the Court, but if --  
15:59:01 25 if you want to put together something that's going to cover

1 all of these issues --

2 MR. FELLHEIMER: Yes, sir.

3 THE COURT: -- to the satisfaction of Ms.  
4 Cabanes, and I'll give you until Monday to do that.

15:59:11 5 MR. FELLHEIMER: Yes, sir.

6 THE COURT: And then we'll see. But, you  
7 know, my initial inclination is I don't know how -- I don't  
8 know what that would look like.

9 MR. FELLHEIMER: I will.

15:59:22 10 THE COURT: You hear me?

11 MR. FELLHEIMER: Yes, sir.

12 THE COURT: Ms. Cabanes.

13 PROBATION OFFICER: Yes?

14 THE COURT: Is that going to be something you  
15 might be willing to entertain?

16 PROBATION OFFICER: Yes, your Honor.

17 THE COURT: Okay.

18 So in the meantime, you're going to be remanded to the  
19 custody of the Marshal Service.

15:59:36 20 MR. FELLHEIMER: May I have a day Monday, sir?

21 THE COURT: We'll have a time here Monday.

22 What's --

23 DEPUTY CLERK: Monday's the holiday.

24 MR. FELLHEIMER: I have a hearing tomorrow.

15:59:44 25 So I was hoping to work on it tomorrow and Monday get it

1 out.

2 THE COURT: I'm telling you any time Monday is  
3 fine. You can get Mrs. Cabanes' contact information and  
4 make sure you copy Mr. Georgalis so he has an opportunity to  
16:00:00 5 make some input.

6 MR. FELLHEIMER: We'll have something to  
7 Pretrial Services Monday, your Honor.

8 THE COURT: Monday's a holiday. Tuesday.

9 MR. FELLHEIMER: Sorry?

16:00:07 10 THE COURT: Monday's a holiday for us federal  
11 employees.

12 MR. FELLHEIMER: What is Monday?

13 THE COURT: Columbus Day.

14 MR. FELLHEIMER: Oh, Federal Court is closed.

16:00:18 15 THE COURT: Mr. Georgalis has the day off,  
16 too, maybe. So we're going to make this Tuesday. All  
17 right?

18 MR. FELLHEIMER: Yes, sir. And I will copy  
19 Mr. Georgalis. Anybody else?

16:00:31 20 THE COURT: Ms. Cabanes is the important  
21 person here. And then she will communicate with me, and I  
22 will make it -- I will make a written ruling on this.

23 MR. FELLHEIMER: Thank you, your Honor.

24 THE COURT: All right. Anything further?

16:00:45 25 MR. FELLHEIMER: No, your Honor.

1 THE COURT: Mr. Georgalis?

2 MR. FELLHEIMER: Except to thank you for your  
3 patience.

4 MR. GEORGALIS: Can I say one thing? I'm sure  
16:00:50 5 the Court knows, Ms. Cabanes knows, location monitoring  
6 doesn't work I think the way Mr. Fellheimer thinks it works,  
7 and as long as that's part of the --

8 THE COURT: I think you're right. Ms.  
9 Cabanes?

16:01:00 10 MR. GEORGALIS: She knows that. So I think  
11 that's an important consideration.

12 THE COURT: All right. Okay.

13 MR. FELLHEIMER: Could you repeat what you're  
14 saying?

16:01:07 15 MR. GEORGALIS: Yeah. It's not -- monitoring,  
16 the Pretrial folks know every single second during the day  
17 where exactly he is. There's occasional pings that give  
18 them an idea where he is. So he could cut the bracelet,  
19 run, and if they don't check those pings until a day or two  
16:01:24 20 later, he's gone.

21 THE COURT: Okay.

22 MR. FELLHEIMER: But, you'll have his  
23 passport. I'll deal with that. I have until Monday.

24 THE COURT: Ms. Cabanes is an expert on all  
16:01:34 25 this. So I appreciate everyone's time.

1 Mr. Powers, I appreciate you coming and addressing the  
2 Court, sir.

3 And we will adjourn this hearing, and we will make a  
4 ruling next week after we receive an updated report from  
16:01:50 5 Pretrial Services. All right?

6 MR. FELLHEIMER: Thanks, Judge.

7 THE COURT: Please adjourn the Court.

8 I'm going to allow these exhibits by the way. The  
9 recording, is that of any value, Mr. Georgalis?

16:02:01 10 MR. GEORGALIS: We could give it to you,  
11 Judge.

12 THE COURT: Well, there are things on there  
13 that weren't played here that he hasn't heard? I don't  
14 think the recording is really going to be helpful, frankly.

16:02:10 15 MR. GEORGALIS: Okay. Everything's fine.

16 MR. FELLHEIMER: May I have copies?

17 MR. GEORGALIS: Yeah, you can have them.

18 (Proceedings adjourned at 4:02 p.m.)  
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C E R T I F I C A T E

I certify that the foregoing is a correct transcript from the record of proceedings in the above-entitled matter.

s/Shirle Perkins  
Shirle M. Perkins, RDR, CRR  
U.S. District Court - Room 7-189  
801 West Superior Avenue  
Cleveland, Ohio 44113  
(216) 357-7106